

SUFFOLK COUNTY COMPTROLLER

John M. Kennedy, Jr.



SUFFOLK COUNTY HOTEL/MOTEL TAX PROGRAM

*Guidelines and Legal Authority
(Chapter 523, Article II. of the Suffolk County Code)*

THE TAX

By definition, a hotel or motel is any facility providing lodging on an overnight basis including those commonly known as bed-and-breakfasts, inns, cabins, cottages, campgrounds, tourist homes, guest homes and convention centers (Chapter 523-9). Every facility providing overnight lodging for a fee in Suffolk County is required to collect the hotel/motel tax from persons occupying rooms at the rate of 3.0% of the per-diem rental rate imposed for each room rental. Taxes collected must be remitted to the County Comptroller's office on a quarterly basis (Chapter 523-10 A).

REGISTERING TO COLLECT THE TAX

All lodging facilities must register with the County within 10 days of conducting a qualifying lodging rental or when a change of ownership of an established business occurs. **Failure to register with the County as required shall result in the imposition of a fine of \$50 for each day of nonregistration for each lodging facility not registered** (Chapter 523-10 C). **Willfully failing or refusing to collect and/or remit the tax is a misdemeanor punishable by an additional fine of up to \$1,000 and/or a year in prison** (Chapter 523-11 F).

CERTIFICATE OF AUTHORITY

Lodging facilities must submit a registration application to the County within 10 days of the first lodging rental. Upon receipt of the application, the County will issue a **Certificate of Authority** which empowers the owner/operator to collect the tax; the **Certificate** must be prominently posted in the lodging facility for patrons to view. An operator is defined as any person operating a hotel or motel, including but not limited to, the owner or proprietor of such premises, lessee, sub-lessee, mortgagee in possession, licensee or any other person otherwise operating such a facility (Chapter 523-9). The **Certificate** must be surrendered to the County when the facility ceases business or changes owners – **Certificates of Authority are not transferable** (Chapter 523-10 C).

FILING TAX RETURNS

Facilities are required to remit the occupancy tax and a simple tax return to the County on a quarterly basis. A blank return is mailed to all registered facilities each quarter. The completed return and tax payment must be received by the County and **postmarked** by the 20th day of March, June, September and December to avoid the imposition of a 10% late penalty (Chapter 523-11 C). Payment can be made by check, bank check or money order made payable to the **Suffolk County Comptroller**. Facilities are required to complete and sign the return even if they had no rental income for a particular quarter – in such cases \$0 should be reported. Any operator who fails to file a return or willfully fails to collect the tax or willfully falsifies a return can be prosecuted criminally and/or civilly (Chapter 523-11 F-I).

LATE RETURNS

For tax returns that are postmarked after the 20th of March, June, September and December, facilities are assessed a 10% penalty on the amount of tax owed; plus interest at the rate of 1% of such tax for each month or fraction thereof of delay commencing the first month after such return was required to be filed or such tax became due (Chapter 523-11 E). In addition, facilities remitting with bad checks will be assessed a \$20 returned check fee.

DETERMINATION OF TAX LIABILITY

If an owner/operator refuses or neglects to cooperate in providing a return, a registration form or additional information on a submitted form, the County has the power to subpoena records and witnesses; to make a determination of tax liability based upon information available and to recover the tax due with fines and penalties in civil court (Chapter 523-11 M & N). False testimony or failure to produce records is a misdemeanor offense punishable by up to a year in prison (Chapter 523-11-O).

CHANGE OF OWNERSHIP

Anyone acquiring a hotel, motel or other lodging facility in Suffolk County must notify the County Comptroller's Office at least 10 days before taking possession of the facility. Whether by sale, transfer or assignment, the prospective new owner must send a registered or certified letter, return receipt requested. Said letter should notify the Comptroller "of the proposed sale and of the price, terms and conditions thereof, whether or not the seller, transferor or assignor, has represented to, or informed the purchaser, transferee or assignee that it owes any tax pursuant to this chapter, and whether or not the purchaser, transferee or assignee has knowledge that such taxes are owing, and whether any such taxes are in fact owing" (Chapter 523-11 J). It is therefore the seller's responsibility to disclose to the purchaser the outstanding Suffolk County hotel motel tax liability prior to the notification.

EXEMPTIONS

Lodging facility owners/operators should not collect the tax in the following instances: rentals of at least 30 consecutive days or more are exempt from paying the tax (Chapter 523-10 B 1); guests whose room charges are being reimbursed by New York State or political subdivision thereof, another state or political subdivision thereof, the federal government or the United Nations or other international agency of which the U.S. is a member are also exempt; and some charitable organizations (including those for the prevention of cruelty to children and animals), religious or educational organizations organized and funded exclusively for those purposes are exempt (Chapter 523-10 B 2). Above patrons should show proper ID to substantiate the exemption. Facilities must report the gross income received from exempt patrons on line 1 of their quarterly tax return and excluded it on line 2.

CONFIDENTIALITY

Information reported on tax returns is **confidential** and **not** available to others under the Freedom of Information Law. County employees are prohibited from disclosing this information except by court order or as part of legal action by a County agency (Chapter 523-11 Q).

WHAT'S FUNDED BY THE TAX

All revenues from the tax are deposited into a dedicated fund used for the promotion of tourism in Suffolk County; to support cultural programs and activities relevant to the tourism industry; for the preservation, maintenance and support of County museums and historical sites; to support unique natural areas managed by the Suffolk County Parks Department and general park purposes (Chapters 523-14 and 523-15). Some revenues are used for the promotion of Suffolk County as a film-friendly location through the Department of Economic Development and Workforce Housing (Chapter 523-15 F). Fund Expenditures are subject to annual budget approval by the County Legislature.

CONTACTS

For additional information and assistance, please contact Barbara Zelenski at 631-852-1523 or Nerina Sperl at 631-853-4456. The full text of the County's tax law can be found at: <http://ecode360.com/14946733>.

Addresses:

Suffolk County Comptroller's Office
H. Lee Dennison Executive Office Building
100 Veterans Memorial Highway, 9th Floor
P.O. Box 6100
Hauppauge, NY 11788-0099
Tax Compliance and Enforcement Unit
Attn: Nerina Sperl, Chief Auditor

Suffolk County Comptroller's Office
330 Center Drive
Riverhead, NY 11901-3311
Tax Collection Office
Attn: Barbara Zelenski

Also visit our website at www.suffolkcountyny.gov/comptroller